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Attorneys for Official Committee of Unsecured Creditors

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

**USA Commercial Mortgage Company
06-10725 – Lead Case**

**USA Capital Realty Advisors, LLC
06-10726**

**USA Capital Diversified Trust Deed Fund,
LLC
06-10728**

**USA Capital First Trust Deed Fund, LLC
06-10728**

**USA Securities, LLC
06-10729**

Debtors.

Jointly Administered

Chapter 11 Cases

Judge Linda B. Rieggle Presiding

**DECLARATION OF EDWARD M.
BURR**

Date: August 4, 2006

Time: 9:30 a.m.

Affecting:

.. All Cases

or Only:

× USA Commercial Mortgage Company

.. USA Capital Realty Advisors, LLC

.. USA Capital Diversified Trust Deed Fund, LC

.. USA Capital First Trust Deed Fund, LLC

.. USA Securities, LLC

I, Edward M. Burr, hereby declare under penalty of perjury that:

1. I am a principal with Sierra Consulting Group, LLC (“Sierra”). I submit this declaration on behalf of the Response of the Official Unsecured Creditors’ Committee for USA Commercial Mortgage Company (the “UC Committee”) to employ this firm. Except as otherwise noted, I have personal knowledge of the matters set forth herein.



1 2. Sierra was retained by the UC Committee to act as their financial advisor
2 and accountant effective as of July 14, 2006, subject to this Court's approval.

3 3. Immediately after being notified by counsel for the UC Committee of the
4 Committee's desire to employ Sierra, we were asked to assist in the analysis and
5 understand the supporting data for the Debtors' Motion to Distribute Funds (the
6 "Motion"). It was imperative that the Committee fully understand the financial impact of
7 this Motion as it involved the recovery of prepaid interest to Lenders, which is one of the
8 largest assets (\$39 to \$41 million) of USACM. In addition, all of the other parties,
9 especially the Direct Lenders, will have different opinions on this Motion.

10 As part of this request, we performed the following tasks:

- 11 • Read the Motion.
- 12 • Performed high level analysis on the pre-paid interest to Lenders.
- 13 • Analyzed original data (over 11,000 lines of data) as provided by Mesirow
14 to support the numbers in Motion and noted errors in the data and calculation issues.
- 15 • Discussed the various methodologies of grouping data with Mesirow
16 including by Client Number, Account Number and Loan Number and calculated the
17 financial impact on both the amount to be distributed as well as the amount of recovered
18 prepaid interest.
- 19 • Prepared summary schedules of amounts to be distributed under each
20 scenario and amount of recovered prepaid interest.
- 21 • Prepared an example of a particular lender and financial impact on that
22 lender as well as amount of recovered prepaid interest.
- 23 • Discussed errors or inconsistencies in original database and had Mesirow
24 make corrections.
- 25 • Assisted counsel in educating the UC Committee members on the various
26 issues involved with the Motion and the financial impact to the Unsecured Creditors.



1 • Met with Mesirow to gain further understanding of the assumptions utilized
2 in generating the database including calculating prepaid interest, servicing fees withheld,
3 principal collections, etc.

4 • Drafted a memo on our initial analyses and findings of the Mesirow database
5 that was shared and distributed to all UC Committee members as well as counsel and
6 financial advisors for all of the other Committees. Participated in conference call with
7 counsel and financial advisors for the various Committees and discussed the above issues.

8 • Assisted counsel in preparing sections and data for a proposed Joint
9 Response to the Motion.

10 • Analyzed the revised database as supplied by Mesirow that contained recent
11 revisions.

12 • Discussed missing account number that was not included in revised database
13 summary as calculated by Mesirow.

14 • Prepared revised summary schedules on amounts proposed to be distributed
15 under the various scenarios and amount of recovered prepaid interest under each scenario.

16 • Prepared revised lender example based upon revised data.

17 • At the request of counsel, prepared a summary schedule for each client
18 number who would be impacted by the additional grouping by client number vs. account
19 number and would receive no distribution.

20 • Worked with counsel in finalizing the Response to the Motion based upon
21 the revised numbers from Mesirow and demonstrated the financial impact to the
22 Unsecured Creditors for USACM.

23 • Shared information with the financial advisors for the Diversified Trust Fund
24 Committee, and discussed the summaries and explained issues with missing account
25 number and sorting by loan number.
26



1 • Held several conversations with individual members of the UC Committee
2 to further explain financial impact of the Motion on unsecured creditors and answered
3 other related questions.

4 • Prepared with counsel a declaration in support of the UC Committee's
5 position on the Motion.

6 4. None of the other financial advisers employed in these cases was available to
7 the UC Committee to perform any of these services.

8 5. The UC Committee and I recognize the need to avoid duplication of work
9 among the professionals in this case. I think I have already demonstrated I can do so. On
10 the AgriBioTech case before this Court where I worked as the lead financial advisor (when
11 I was with PwC) to the unsecured creditors' committee, the Court noted during our final
12 fee application hearing on how well we cooperated with the Debtors' financial advisor and
13 kept the duplication of efforts to a minimum.

14 6. I have reviewed the objection to the UC Committee's application to employ
15 Sierra. The objection indicates that the services to be rendered will also be performed by
16 Mesirow and the other two advisors and that employing more financial advisors to
17 perform the same task would clearly be duplicative and unnecessary. This statement is in
18 error. The advisors will not all be performing the same task. With respect to work done
19 by Sierra, once Sierra performs a task (such as analyzing the Mesirow data) it will be
20 shared with the other advisors (which we did on the Motion) who will then determine the
21 impact on their own clients (such as whether or not to distribute funds and if so, by what
22 method). This is necessary and not duplicative.



1 I declare under penalty of perjury that the foregoing is true and correct to the
2 best of my knowledge, information and belief.

3 DATED July 31, 2006.

4
5 /s/ Edward M. Burr
Edward M. Burr